

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7665

BILL NUMBER: HB 1977

DATE PREPARED: Apr 5, 1999

BILL AMENDED: Apr 5, 1999

SUBJECT: Education Roundtable and academic standards and assessment.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes the Education Roundtable to make recommendations concerning education to the governor, Superintendent of Public Instruction, General Assembly, and Indiana State Board of Education. It transfers the duties of the State Standards Task Force to the Education Roundtable. Throughout the state assessment program, it replaces the concept of "proficiencies" with the concept of "academic standards". It provides that the Indiana State Board of Education may require participation in national or international assessments, establish voluntary Core 40 assessments, and establish voluntary grade 1 and grade 2 diagnostic reading assessments to promote reading competency by grade 3. It changes some benchmarks in the school corporation annual performance report. It requires the adoption of state academic standards for all grade levels that can be compared with national and international academic standards and that are clear, concise, and jargon free. It requires the distribution of these academic standards to parents of students. It requires science to be tested under the ISTEP program beginning in school year 2002-2003 and social studies to be tested beginning in school year 2003-2004. It requires the Indiana State Board of Education to obtain an independent evaluation of Indiana's academic standards and assessments that includes recommendations for improvement. It repeals the state standards task force law and makes conforming amendments.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) The State Board of Education would be responsible for adopting standards for all grade levels from kindergarten through grade 12 that can be compared to national and international standards. The Department of Education provides staff to the State Board. The Educational Roundtable would replace of the State Standards Task Force in making recommendations concerning academic standards, passing scores required at the various grade levels tested under the ISTEP program, and the addition of science and social studies standards and assessments by grade level.

Four additional costs would be associated with this bill as amended:

1) ISTEP Plus Examination: Under current law, students in the 3rd, 6th, 8th and 10th grade take the ISTEP for mathematics and English/language arts. As proposed by this bill, a test for science would be added in the 2002-2003 school year and a test for social sciences will be added in the 2003 - 2004 school year. (Currently tests in these areas are optional.) The State Board of Education would have the discretion to include as many or as few grades as it wishes for taking the test.

Currently, the average cost per subject area for each grade level is \$1.75 million based on past DOE expenditures for ISTEP test development. As each test is phased in, the state would likely incur additional costs of roughly \$1.75 million in 1998 dollars for each grade level for each subject area. However, this portion of the bill would not affect the current biennium budget.

2) Norm Reference Portion of ISTEP: Under current law, ISTEP includes two types of tests: a norm reference test which compares Indiana students with students in other states and a criterion reference test which specifically tests students on what they know in certain subject areas. Passage of this bill would no longer require the ISTEP to include norm referenced test items and instead allow comparison with national and international academic standards.

DOE staff report that norm reference tests are generally less expensive than the criterion referenced tests to administer because all responses are multiple choice and can be scored by a machine. Consequently, repealing the norm reference requirement will save some amount of money for the state, but a specific amount was not able to be determined.

3) Cost of Remediation: Adding new tests for science and social studies will likely increase the costs for remediation at some point in the future. While the bill does not specifically include social studies and science as part of the graduation examination, if these tests are included in the requirement for obtaining a high school diploma, then the state would likely need to spend more on remediation in future years to assist students who test below state standards to successfully pass the test.

Currently, the state spends roughly \$28 million per year on remediation for math and English/language arts. How much the state would spend for remediation will depend on future appropriations. Because the new tests would not take effect until the next biennium, this provision would not increase the need for additional remediation expenditures during the 2000-2001 biennium.

4) Evaluation of Indiana's Academic Standards and Assessments: The State Boards of Education would be required to obtain a comprehensive and independent evaluation of Indiana's academic standards and assessments.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) School corporations would incur additional expenses for photocopying academic standards for its 57,000 teachers and for the parents of students who are currently enrolled. The additional costs will depend on the number of pages of standards that would need to be distributed.

Explanation of Local Revenues:

State Agencies Affected: Department of Education

Local Agencies Affected: School Corporations

Information Sources: Department of Education